INDIANA COMMISSION *for* HIGHER EDUCATION

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ORAL TESTIMONY BEFORE THE
SUBCOMMITTEE ON HIGHER EDUCATION and WORKFORCE TRAINING
Offered by Teresa Lubbers, Commissioner
Indiana Commission for Higher Education

Chairwoman Foxx, Ranking Member Hinojosa and members of the subcommittee, thank you for the opportunity to testify. My name is Teresa Lubbers, and I serve as commissioner of Indiana's coordinating board for higher education. My testimony will provide a brief overview of Indiana's efforts to lower student-costs and enhance success by improving college affordability and productivity.

Indiana is ripe for reform in higher education. The state currently ranks 40^{th} in the nation in postsecondary attainment. Capitalizing on that need to reform, the Indiana Commission for Higher Education has adopted a new strategic plan, *Reaching Higher, Achieving More*. Ultimately, our goal is quite straightforward: to ensure that more students complete postsecondary credentials on time and at the lowest possible cost.

Indiana has fared no better than most states in containing the costs of postsecondary education over the past two decades. Hoosier students borrow an average of $27,000 to finance a college degree, and Indiana's student loan default rate has increased by 35 percent over the past three years.

Indiana has weathered the recent recession far better than nearly all states, and thanks to Governor Mitch Daniels and the state's General Assembly, Indiana's funding for higher-education operations has remained essentially stable. In the past decade, Indiana's allocation for financial aid has increased by 90 percent, and during the current biennium, it has grown by a generous 4.5 percent.

Indiana's tuition has increased by nearly 100 percent over the past decade, while Hoosier per-capita personal income has grown by only 27 percent. In response, the General Assembly mandated that the commission set targets for tuition and fees at the public institutions.

To their credit, Indiana's public colleges adopted measures that lower costs, including decreasing summer tuition, guaranteeing on-time graduation and increasing aid based on student performance.

Affordability is also a function of time spent in remediation, excessive credits-taken, and credits lost through transfer or poor academic-advising. Indiana has focused on five opportunities for limiting higher-education costs.

The first is performance funding. Indiana's performance-funding formula has evolved since 2003 to prioritize degree completion, on-time completion, the success of at-risk students, and the production of credentials that support Indiana's economy. Indiana allocated 5 percent of overall state-support for institutions to performance funding in the last budget and is committed to increasing the percentage in the years ahead.

The second opportunity is creating innovative educational-models. As an example, Western Governors University-Indiana allows students to advance in their degree programs as they master the material, rather than through credits-earned or seat-time.

The third area focuses on accelerated credentials. Ivy Tech Community College enables some students to earn a two-year degree in 10 months, while Purdue University's balanced trimester-schedule will allow students to complete a four-year degree in three years.

Currently, nearly 90 percent of Indiana college degree programs exceed 120 or 60 credits. Ball State University has led a statewide return to the 120 credit-hour standard, while recently-enacted legislation mandates all public institutions to provide justification for degree programs that exceed the standard.

A fourth opportunity is optimizing credit-transfer. We have developed a Core Transfer Library of courses that transfer seamlessly among public and private colleges. Additionally, Indiana mandated a general-education core, which will transfer as a block among the state's public institutions.

Finally, Indiana seeks to increase the transparency of return on educational investment. Students need to know that while all degrees matter, some matter more in terms of earnings, employment prospects, and job security.

Already, the commission has supported the development of a *College Costs Estimator* and will launch a *Return on Investment Calculator* to convey the value proposition of investing in higher education.

I will conclude with some reflections on the shared responsibility which must characterize the discussion of educational affordability as we move forward.

The past two decades have witnessed a perfect storm within higher education and the economy. Cost growth among postsecondary institutions has been fueled by the extraordinary institutional investments in technology, facilities, employee benefits, and student support staff.

The recent economic-downturn has caused many states to contract their spending on postsecondary operations. And, students themselves are not without culpability: completion rates have stagnated, more students supersede normal graduation-timelines, and many practice less-than-sound judgment in borrowing and spending.

This perfect storm has resulted in triple-digit-percent increases in tuition and fees, and runaway increases in student debt. Reversing this trend must be a responsibility shared among states, institutions and students.

While today's hearing focuses on some cost-considerations, a word of caution is warranted. Neither Indiana nor the nation can suffer the long-term consequences of building a productive, affordable system of higher education that diminishes academic quality. Ensuring affordability at the expense of academic rigor would be a hollow victory, indeed. To avoid doing so will take thoughtful, collaborative action and common metrics to promote quality learning and accountability.

I am grateful to the members of the subcommittee for convening this important discussion and thank you for the opportunity to contribute testimony.